GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2672
ANSWERED ON:17.03.2017
Utilisation of Foreign Exchange Reserve
Lokhande Shri Sadashiv Kisan

Will the Minister of FINANCE be pleased to state:

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(a) the percentage of Foreign Exchange Reserve proposed to be incurred on development of infrastructure sector by the Government;
(b) whether the Government has formulated any plan to provide loan at concessional rates from the Foreign Exchange Reserve for development of infrastructure sector; and
(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)
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(a) to (c): Pursuant to the announcement made in the Budget for 2007-08 to use a part of the foreign exchange reserves for infrastructure financing, the Reserve Bank of India in consultation with the Government of India has taken a decision to invest an amount, the aggregate of which shall not exceed USD 5 billion in the bonds issued by India Infrastructure Finance Company (UK) Limited, which is a wholly owned subsidiary of India Infrastructure Finance Company Limited (IIFCL). This subsidiary will lend to Indian companies implementing infrastructure projects in India. As on December 31, 2016, an investment of USD 2100 million has been made by RBI in foreign currency denominated bonds issued by the IIFCL (UK).

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